

**ACE ACHIEVE INFOCOM LIMITED**  
**Company Registration No. 35423**  
(Incorporated in Bermuda)

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**RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED  
REGARDING THE ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30 APRIL 2016**

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The Board of Directors (the "Board") of Ace Achieve Infocom Limited (the "Company", the Company and its subsidiaries to be collectively referred to as the "Group") refers to the queries from the Singapore Exchange Securities Trading Limited (the "Exchange" or "SGX") on 19 August 2016 regarding the Annual Report for the financial year ended 30 April 2016 and wish to respond to the queries as follows:

**1. SGX Query:**

**On page 23 of Annual Report for financial year ended 30 April 2016 (the "Annual Report"), the Company did not disclose whether there were any Interested Person Transaction ("IPT"). Please make the appropriate disclosures as required under Rule 907 of the Listing Manual.**

**Company's response:**

There were no Interested Person Transactions entered into during the financial year ended 30 April 2016.

**2. SGX Query:**

**Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. On page 19 of the Annual Report, the Board had commented on the adequacy of the internal controls. However, there was no mention regarding the effectiveness of the internal controls. In this respect, please disclose or explain the reason(s) for the deviation from the Code.**

**Company's response:**

The Board's comment on the effectiveness of the internal controls of the Company is as follows:-

"The Board has taken into account the internal controls established and maintained by the Group, work performed by the independent external and internal auditors, regular reviews carried out by Management and Audit Committee as well as the aforementioned assurance received from the Chief Executive Officer and General Manager (Corporate Services). The Board, with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls addressing financial, operational, compliance and information technology controls and risk management systems were adequate and **effective** during the year ended 30 April 2016. The Board, however, note that no system of internal controls can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

**3. SGX Query:**

**Paragraph 9.3 of the Code states that the Company should disclose in aggregate the total remuneration paid to the top five key management personnel (who are not directors or the CEO).**

**As the Company is required under the Listing Rule 1207(12) to make disclosure as recommended in the Code or otherwise disclose and explain any deviation from the recommendation, please disclose the aggregate total remuneration paid to the top five key management personnel (who are not directors or the CEO) or otherwise explain the reason(s) for the deviation from the recommendation.**

**Company's response:**

As disclosed on Page 18, due to confidentiality and competitive pressures in the industry and talent market and to prevent poaching of key management personnel, the Company disclosed the remuneration of the top five key management personnel in bands of S\$250,000 on a named basis and in percentage terms.

The Board wishes to add that disclosure of specific information may affect the retention of competent personnel in a competitive industry. The Company needs to maintain stability and business continuity and any attrition in a lean key management personnel team would adversely affect the operations and business of the Company.

The Board is of the opinion that due to confidentiality and sensitivity issues attached to remuneration matters, it would not be in the best interests of the Company to disclose exact details of the remuneration of each of the key management personnel as recommended by the Code.

**4. SGX Query:**

**On page 54 of the Annual Report, the Company disclosed that "As at 30 April 2015, deposits of RMB 55,000 and advances to suppliers of RMB 788,000 were due from certain entities. The shareholdings of these entities were held by certain directors/former directors of the Company in trust for third parties. Management was of the view that the Group did not have control or significant influence on these entities, and accordingly, the transactions and balances with these entities were not disclosed as related party transactions and balances in the financial statements".**

**Please provide further disclosure on the following:**

- a. Who are the "directors/former directors";**
- b. Reasons for the "directors/former directors" to be holding these entities in trust for others;**
- c. Identity and relationship of these third parties;**
- d. On what basis has management confirmed that the directors are not holding these shares as beneficial shareholders; and**
- e. The total amount of transactions with these entities in FY2016.**

**Company's response:**

- a. The shareholdings of these entities were held by Sun Yujing, a former director of the Company and Deng Zelin, a director of the Company.
- b. The shareholdings of these entities were held in trust by the director/former director on the request of the third parties.
- c. The third parties are individuals who are not related to the director/former director.
- d. Management has obtained trust agreements entered into between the third parties and the director/former director.
- e. There are no further transactions with these entities in FY2016.

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The Board of Directors collectively and individually takes responsibility for the accuracy of the aforesaid replies to the queries by the SGX.

**BY ORDER OF THE BOARD**

Deng Zelin

Executive Chairman & Chief Executive Officer

23 August 2016